

# Application Instruction Manual for 2015 Enterprise Zone Designation

**Designation Applications MUST be submitted online, via DHCD's  
Centralized Application Management System (CAMS)**

<https://dmz1.dhcd.virginia.gov/camsportal/Login.aspx>

**Application Deadline: June 30, 2014 by 11:59 PM**



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## SUBMISSION REQUIREMENTS

The 2015 Enterprise Zone designation application and all required attachments must be submitted through DHCD's Centralized Application Management System (CAMS). This document is an instruction manual and should be used as reference only. You must register your organization in CAMS before submitting your application. Registration may take a few days to be approved, so register as soon as possible.

**Please read the entire instruction manual before beginning the application.** Applicants can obtain an electronic copy of this manual from DHCD's website at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov) or by contacting Lauren Fink at (804) 371-7121 or [Lauren.Fink@dhcd.virginia.gov](mailto:Lauren.Fink@dhcd.virginia.gov).

**CAMS website:** <https://dmz1.dhcd.virginia.gov/camsportal/Login.aspx>

**Register on CAMS:** <https://dmz1.dhcd.virginia.gov/camsportal/Registration.aspx>

**CAMS help desk:** [CAMSHelp@dhcd.virginia.gov](mailto:CAMSHelp@dhcd.virginia.gov)

### **Tips for using CAMS:**

- Use Internet Explorer 7 or higher.
- Write and save responses in a Word document then cut & paste them into the CAMS application. Applications can be saved in CAMS before submitting, but it's a good idea to back up responses in Word or another word processing program.
- When items are saved you should see: *"The information has been saved successfully. The application is not completed. Please click OK to go to the next section."* across the middle of the screen. If you do not see that text or your data is not where you typed it, contact the CAMS help desk.

**Applications must be submitted by 11:59 PM on June 30, 2014.**

## APPLICATION OVERVIEW

There are currently five Virginia Enterprise Zone designations available due to the upcoming expiration of the following zones; Accomack & Northampton (joint zone), Carroll County & the town of Hillsville, the City of Richmond, and two zones in the City of Newport News. As a result, the Department of Housing and Community Development (DHCD) is holding a competitive application process to fill these vacant positions. The new zones will be designated on January 1, 2015. The application process is open to all cities and counties; however, the program is targeted towards economically-distressed localities. As of 2005, towns seeking designation must be included within the boundaries of applying counties.

The designation application is organized to walk localities through the strategic planning process of establishing an Enterprise Zone. An outline of this process and the corresponding application sections are as follows:

- **Community need for Enterprise Zone designation**
- **Program design and regional impacts**
  - *Local Incentives*
  - *Zone Boundaries*
- **Benchmarks** for future zone achievements
- **Past performance and continued need** for expiring zones that are re-applying for an Enterprise Zone designation
- **Regional need** and strategy for joint, multi-jurisdictional applicants
- **Zone characteristics**
- **Zone maps & GIS data**

The application also requires the submittal of multiple supplemental forms. These forms are indicated throughout the instruction manual and must be filled out and submitted through [CAMS](#) in the “Required Attachments” section of the Application System.

The application is worth a total of 1500 points of which 750 will be determined on the basis of a locality-wide distress score as seen on page 33. The remaining 750 points will be awarded based on answers to questions regarding strategy, impact and capacity. The deadline for application submittal is **June 30, 2014**.

## ENTERPRISE ZONE PROGRAM OVERVIEW

The Virginia Enterprise Zone program is a partnership between state and local government in which both parties seek to improve economic conditions within designated localities. The program is meant to complement additional local, state, and federal economic development activities to create an improved climate for private sector investment and to focus limited resources on strategically targeted areas. An Enterprise Zone is not intended to be a stand-alone program nor a single “intervention” instrument. The program is most effective when used in conjunction with other established economic and community revitalization efforts.

The Enterprise Zone Grant Act went into effect July 1, 2005. Under this Act, the program has increased focus on designating zones in localities with the greatest need, with the greatest potential for effectively putting a zone to productive use.

Under the 2005 Act, the Governor can designate up to 30 Enterprise Zones for a period of 10 years with the potential to be renewed for up to two subsequent five-year periods. New designations are made in coordination with the expiration of existing zone designations.

Enterprise Zone Designation	
<b>Eligibility Criteria</b>	Only Virginia cities and counties may apply. Town acreage can be incorporated into a county application.
<b>General Conditions</b>	Zones are designated for 10 years with up to two five-year renewal periods to follow. Each locality can have up to three Enterprise Zones and each can consist of up to three non-contiguous areas. Localities have the freedom to strategically place zone boundaries where they best fit local economic development needs.
<b>Zone Requirements</b>	<p>Zone boundaries must meet but not exceed size limitations. See page 18 for zone boundary requirements.</p> <p>Participating localities must provide a package of local Enterprise Zone incentives. More information on local incentives can be found on page 10 of this manual.</p> <p>Joint zones must establish mechanisms to ensure that economic benefits of the zone are shared among participating jurisdictions. Each participating locality in a joint zone application must complete a Joint Application Agreement (EZ-1-JA) found on page 31 of this manual.</p>
<b>Regional Zones</b>	Joint designations may be made where applicant jurisdictions can demonstrate regional need and impact beyond what a single jurisdiction can achieve. Specific binding mechanisms must ensure that economic benefits are shared among participating jurisdictions. A sample growth sharing agreement is available on page 32 of this manual.

## TYPES OF ENTERPRISE ZONES

There are two types of Enterprise Zones:

**Single Jurisdiction Zones** are located entirely within a single jurisdiction (city or county). Single jurisdiction county zones may include lands from an incorporated town as part of the county's zone acreage. The town may choose to offer local incentives but is not required to do so as the town acreage is considered part of the county's zone area.

For example, Smyth County submits a single zone application that includes a portion of Marion's town limits as part of the zone area. The Town of Marion is not required to offer local incentives (but can) and does not function as a joint zone applicant; rather as part of the Smyth zone.

**Joint Multi-Jurisdiction Zones** are comprised of two or more adjacent jurisdictions (cities and counties) acting as a unified regional entity. To qualify for a joint status the applying jurisdictions must demonstrate a regional strategy. Applicants must be able to explain what binding mechanisms will be used to ensure that economic benefits of the joint zone will be shared among all participating localities. Regional partnerships should also be demonstrated.

In a joint application, each jurisdiction must complete a Joint Application Agreement. See the **Supplemental Forms** section of this manual for a copy of the Joint Application Agreement Form (EZ-1-JA). Joint zones also have unique design requirements. See the diagram on page 24 for more information.

## LOCAL RESPONSIBILITIES

Although the Department of Housing and Community Development (DHCD) administers the Enterprise Zone program, all participating localities have administrative responsibilities. Included among these responsibilities is the day-to-day management of the zone, marketing the zone to ensure the maximum & effective use of zone incentives, and overseeing of the provision of local incentives.

Zones may be terminated and access to state incentives lost if either of the following two conditions occurs:

1. **If no business firms in an Enterprise Zone have qualified for state incentives within a five-year period.**
2. **If the local government or an assigned agent is unable or unwilling to provide local incentives as proposed in the application for zone designation.** This can be avoided by amending the application to offer incentives that are valued as equal or superior to the incentives that were originally approved. Amendments may be proposed every twelve months.

## APPLICATION CHECKLIST & QUALIFICATION INFORMATION

**REQUIRED FORM:** This form must be filled out and submitted in the “Required Attachments” section of the online application.

*The checklist below has been provided for the applicant’s use to help ensure that all required portions of the application have been completed. Please initial next to each of the sections to indicate completion.*

<b>DHCD Use Only</b> Complete/Incomplete	<b>Application Checklist</b>	<b>Applicant Initial if Complete</b>
	<b>Applicant Locality:</b> _____	
	<b>Qualification Information</b>	_____
	<b>Need</b>	_____
	<b>Program Design &amp; Regional Impacts:</b>	_____
	- <b>Strategy</b>	_____
	Comprehensive Plan/Economic Development Strategy included in application materials.	_____
	- <b>Local Incentives</b>	_____
	- <b>Zone Boundaries</b>	_____
	- <b>Community Priorities/ Successes</b>	_____
	- <b>Marketing Efforts</b>	_____
	- <b>Benchmarks</b>	_____
	- <b>Past Performance</b> (if applicable)	_____
	- <b>Regional Need</b> (if applicable)	_____
	<b>Zone Characteristics</b>	_____
	<b>Required Maps &amp; GIS Data</b>	_____
	<b>Public Hearing Advertisements</b>	_____
	<b>Board Minutes</b>	_____
	<b>Submission Resolution</b>	_____
	<b>Joint Application Agreement</b> (if applicable)	_____
	<b>Shared Benefits Agreement</b> (if applicable)	_____

**Applicant(s):**

Enter the name of the city or county applying for Enterprise Zone designation. In the case of a joint, multi-jurisdiction application, enter the name of each participating jurisdiction.

**Government Address:**

Provide the official mailing address of the locality(s).

**Chief Elected Official (Name and title):**

Provide the name and the title of the participant's Chief Elected Official. List all CEO's for joint applications.

**Contact Person:**

Provide the contact information of the person who will be designated as the Local Zone Administrator and who can provide additional information about this designation proposal. Add additional lines for joint zones.

**Name:**

**Title:**

**Phone:**

**E-mail:**

**Certification of the Chief Administrative Officer(s):**

If a locality does not have a chief administrator, enter the signature and title of the clerk to the city council or county board of supervisors. Add lines as needed for joint zones.

*To the best of my knowledge and belief, the data in this proposal is true and correct and the governing bodies of the participants have duly authorized the proposal through resolutions. The resolutions are attached. I understand that if selected for zone designation, the post-designation commitments will be submitted to DHCD within 90 days of the zone announcement.*

**Name:**

**Date:**

**Title:**

**Signature:**

**Please check all applicable items:****Application Type**

- ☐ Single Jurisdiction  
☐ Joint (Multi-Jurisdiction)

**Total Number of Zone Areas**

Single Zone: ☐ 1 ☐ 2 ☐ 3

Joint Zone:

Locality 1: \_\_\_\_\_ ☐ 1 ☐ 2 ☐ 3

Locality 2: \_\_\_\_\_ ☐ 1 ☐ 2 ☐ 3

Locality 3: \_\_\_\_\_ ☐ 1 ☐ 2 ☐ 3

**Local Enterprise Zone Incentive and/or Regulatory Relief Programs**

- ☐ Local Incentives

**Zone Characteristics and Maps/GIS**

- ☐ Zone Characteristics  
☐ Maps & GIS

**Public Hearings**

Public Hearing Advertisements

- ☐ Single Jurisdiction (one hearing)  
☐ Joint Multi Jurisdiction  
 (one hearing in each locality); OR  
☐ Joint Multi Jurisdiction  
 (one joint hearing)

**Council/Board Resolution and Minutes**

- ☐ City Council/ County Board Minutes  
☐ Submission Resolution

**Additional Requirement for****Joint Multi-Jurisdictional Applications**

- ☐ Joint Multi-Jurisdiction Agreement  
☐ Shared Benefits Agreement

## NEED

1. Please indicate the locality's distress score out of 750 possible points. (See page 33)

### *Locality-wide Conditions/Needs:*

2. Discuss key economic conditions in the locality as a whole. Also discuss how these conditions are currently addressed through the locality's community and economic development efforts.

- *Economic conditions: closure of a major employment center during the past year resulting in job loss; out-commuting – e.g. more than 65 percent of all residents work in surrounding localities; slow growth rate- e.g. the retail sector of the locality has experienced a low growth rate compared to other surrounding localities.*
- *Barriers to development: physical (obsolete infrastructure, lack of broadband, high vacancy rates, and steep terrain) or non-physical (lack of diverse economic base and unskilled workforce).*
- *Trends of new development.*
- *Economic development efforts: job training programs, development of broadband, promotion of vacant manufacturing facility to prospects, active recruitment of non-manufacturing business sectors to diversify the economic base.*

## PROGRAM DESIGN & IMPACTS

### *Strategy:*

3. Describe the overall economic restructuring strategy for the locality. Does this strategy tie into a larger regional strategy? Explain how.
4. How do the Enterprise Zone program outcomes of stimulating real property investment and job creation fit in with the other ongoing aspects of this restructuring strategy?
5. If the community has a written economic development plan that includes an analysis of any needed economic restructuring, please submit a copy of the applicable portion of the plan on the "Attachments" tab of the online application. Use the space below to summarize its core strategy and note when it was adopted and/or updated.
6. Explain how the Enterprise Zone program will be prioritized and integrated into aspects of the local economic development strategy.
7. What specific sectors and types of businesses are being pursued for the community, and how does this tie into the economic development strategy?
8. Define the number and characteristics of the businesses the locality is seeking to recruit, retain, and expand. What specific factors are important to these targeted businesses?



**What specific needs and resources are essential to the operations of these targeted industries/businesses?**

- 9. If niche business sectors are drawn to the community because of location or workforce, describe the specific factors that make it ideal for these businesses to locate in the community. What factors are of importance to the businesses that choose or have chosen the locality?**
- 10. Discuss business retention efforts. If the locality has a plan for business retention and expansion please describe its core strategy below and explain how the Job Creation and Real Property Investment Grants will become an important part of the recruitment, retention, and expansion approach.**
- 11. As a community, what are the largest, ongoing economic development efforts?**
- 12. List (in bullet form) key public improvement/investment and private development efforts planned for the next five years in the locality. Please provide a brief description of each activity. Note if any of the identified development efforts will be taking place within the boundaries of the proposed Enterprise Zone.**
- 13. Besides specific incentives, what is being done to stimulate private participation in economic development efforts throughout the locality?**

## ***Local Incentives:***

### **Developing Local Enterprise Zone Incentives:**

Local governments should provide a variety of financial and non-financial incentives to encourage economic growth and investment within the Enterprise Zone. Localities should think strategically to develop incentive packages that directly correspond to the locality's identified economic revitalization and development goals. The package of local incentives will be most effective in achieving these outcomes when incentives that support these identified goals and economic initiatives have been included. For example, if the community has a goal to develop a creative economy such as one that fosters outdoor recreation or cultural tourism within the zone, the locality should provide local incentives that are specifically tailored to those targeted activities. The locality will need to consider what would be valuable to the businesses that they are trying to attract, retain, or expand.

Local Enterprise Zone incentives should create an improved climate for private business development and expansion. This can be achieved through efforts that (i) reduce start-up costs for new firms, (ii) reduce the ongoing costs of doing business for both new and existing firms, and (iii) improve the overall physical and social conditions within the zone in order to produce an environment conducive to business operations. When considering state incentive requirements, local incentives should complement state incentives by providing added benefit or by reaching businesses that cannot take advantage of state incentives. In some cases, localities have effectively used local incentives to grow businesses to the capacity to qualify for state grants.

An incentive can be any type of regulatory reform, tax reduction or exemption, service improvement, resource commitment or any other activity intended to stimulate private sector investment. A local government may propose any type of incentive permissible under federal and state law; provide that the incentive is targeted to the zone.

#### **Tips for Developing Local Incentives**

- Survey local businesses to determine what incentives would be most meaningful to them.
- Customize local incentives to meet the locality's economic goals.
- Offer a mix of incentives for new businesses and the expansion of existing businesses.
- Establish qualification requirements that ensure a reasonable return on the investment without being so stringent as to limit usage.
- Develop measurable incentives.
- Establish performance baselines that provide a threshold for qualification. Incentives should reward firms that make a commitment to create new jobs and/or invest in real property.
- Define key terms in qualification requirements and develop documentation that will be used to verify that conditions have been met.
- Incentives should represent sound fiscal policy and not provide an excessive level of benefit that would be inappropriate from an economic standpoint.

Local incentives must not violate the Virginia Constitution. It is important to have the locality's attorney review local Enterprise Zone incentives to assure this (especially for tax-related incentives).

The Uniformity Clause (Article 10, Section 1, of the Virginia Constitution) specifies that taxation must be uniform in territory, subject, and class. In other words, taxation must be uniform throughout an entire locality unless there is state enabling legislation that allows otherwise. Examples of such enabling legislation include:

- § 58.1-3219.4, § 58.1-3220.1, and § 58.1-3221 of the Code of Virginia gives localities the authority to offer exemptions on real estate tax for specific properties and when certain conditions are met.
  - § 58.1-3219.4 is a partial tax exemption for new structures or other improvements to real estate located in redevelopment or conservation areas or rehabilitation districts. The criteria for qualification are determined by the governing body of the county, city, or town.
  - § 58.1-3220.1 is a partial tax exemption for the rehabilitation, renovation, or replacement of hotel or motel structures of at least 35 years of age or as determined by the governing body of the county, city, or town.
  - § 58.1-3221 is a partial tax exemption for the rehabilitation, renovation, or replacement of commercial and industrial structures of at least 15 years of age if in an Enterprise Zone or 20 years of age if elsewhere in a jurisdiction.

**The following list is not all-inclusive but serves as an example of the most frequently offered local Enterprise Zone incentives:**

- **Enterprise Zone Tax Exemptions:** § 58.1-3221 of the Code of Virginia enables localities to exempt taxes on the increase in assessed value as a result of the rehabilitation of real estate for structures at least 15 years of age in Enterprise Zones.
- **Local Tax Rebates:** Business occupational license fees, local sales tax on items purchased in the community for conduct and trade of business in the Enterprise Zone.
- **Business Loans:** Facade improvement loans for both commercial and industrial properties, low interest loan funds for start-up and expansion, revolving loan funds composed of local and private funding sources.
- **Fee Waivers:** Permit fees, sewer and water tap fees, utility fees.
- **Land Buy Down:** Such as debt services waived for locality-owned land sold to a private entity; reduced/waived land costs in county industrial parks.
- **Job Training:** Targeted training programs to meet business needs.
- **Non-financial:** Fast track permitting, loan packaging assistance, and design assistance.
- **Local Enterprise Zone Development Taxation Program:** § 58.1-3245.6 through § 58.1-3245.11 of the Code of Virginia enables designated zone localities to establish a Local Enterprise Zone Development Taxation Program. Incremental tax revenues generated from real property or machinery and tools, or both can be used to establish an Enterprise Zone development fund to pay for enhancements to government services that promote economic development.
- **Machinery & Tools:** There is no enabling legislation with regard to machinery and tool tax and the Uniformity Clause does apply. Localities that want to offer an Enterprise Zone incentive related to machinery and tool tax must first collect the tax uniformly from all appropriate taxpayers across the locality; those within the Enterprise Zone as well as those outside the zone. Once the tax is collected, the locality may offer businesses a grant based on their machinery and tool tax. This is usually done through the local Industrial Development Authority.
- **Business Personal Property:** There is no enabling legislation with regards to personal property tax and the Uniformity Clause does apply. Localities that want to offer an Enterprise Zone incentive related to personal property tax must first collect the tax uniformly from all appropriate tax payers across the locality. Once the tax is collected, the locality may offer businesses a grant based on the collected personal property tax.

**The real property, personal property, and machinery and tool tax incentives should never be referred to as an abatement, refund, or rebate, which are not allowed under the State Constitution. Real property must be a tax exemption; personal property and machinery and tools must be as grants.**

The Uniformity Clause **DOES NOT APPLY** to items such as the Business-Professional Occupational License tax, utility tax, or permit fees. Localities are free to offer these as rebates, refunds, and abatements.

A locality may establish conditions on the availability of such incentives. For example, a locality may propose to make grant funds available to new businesses during the first five years of zone operation. It may propose a three-year utility tax exemption for new or expanding firms or propose to restrict the availability of low interest business loans to new firms locating in the zone that agree to meet certain locally determined hiring requirements.

**The following incentives are highly discouraged and will negatively affect the score of an application:**

1. **An incentive that is available throughout the entire locality.** Unless special actions are taken to encourage greater utilization of the incentive within the proposed Enterprise Zone, it will not be considered an Enterprise Zone incentive.
2. **Local incentives that use the same qualification requirements as the state incentives or require state incentive qualification to receive them.** Qualification criteria for local incentives should be independent from state incentive qualification.

A locality may designate an assigned agent such as a local redevelopment and housing authority, a nonprofit entity or a private for-profit entity to provide local incentives. This arrangement should be documented in the Local Incentive Administration Process Chart on page 13 and by a written commitment from the agent.

**All incentives proposed in the locality's application shall be binding upon designation of the Enterprise Zone.**

**Note:** Section § 59.1-284 of the Virginia Enterprise Zone Act states that in the event the local government or an assigned agent is unable or unwilling to provide regulatory flexibility, tax incentives or other public incentives as proposed in the application for zone designation, the zone may be terminated. This is avoidable if the applicant is able to amend the application by substituting an incentive that is equal or superior to the incentive originally approved.

14. **Describe the overall package of local incentives or regulatory relief programs that are being proposed. Explain how the incentive package will support the locality's economic development strategy.**

## LOCAL INCENTIVE ADMINISTRATION PROCESS

**REQUIRED FORM:** This form must be filled out and submitted in the “Required Attachments” section of the online application.

Use the chart below to designate roles and responsibilities for the local incentive administration process. Applicants **MUST** indicate the office and individual who will be responsible for each role.

Local Incentive Administration Process				
Incentive #	Application Development	Marketing	Application Processing	Qualifies and/or Awards
	Office/Individual	Office/Individual	Office/Individual	Office/Individual
<i><b>Example:</b></i> <i>1. Waiver of Building Permit Fees</i>	<i>Building Dept./ Local Zone Administrator</i>	<i>Building Dept./IDA</i>	<i>IDA/ Local Zone Administrator</i>	<i>Building Dept.</i>

## LOCAL INCENTIVE NARRATIVE

*On the following chart, provide information on the incentives being proposed. **Each participant in a Joint Multi-Jurisdiction Enterprise Zone must complete this chart.** Number and describe each incentive separately by including the following information:*

- **Incentive number, name and description:** Number the incentive; provide its name, and a brief description.
- **Financial Value of Incentive:** Quantify the estimated value of the incentive for a typical business and indicate an anticipated amount available, if appropriate. Example: If the average building permit fee is \$1,000, the value of an incentive to waive building permit fee is \$1,000. A free design assistance incentive would report a dollar amount based on the estimated market rate cost of the service.
- **Action to Implement:** Indicate what actions have been or will be taken to assure that it will be implemented, such as a local ordinance or formal approval by the Board of Supervisors. Any real property partial tax exemptions allowed under statute § 58.1-3219.4, § 58.1-3220.1, or § 58.1-3221 require an ordinance.
  - Upon being selected for zone designation, newly designated zones are required to provide documentation to DHCD indicating that such actions have been performed **within 90 days of the zone announcement.**
- **Provider:** Identify the name of the organization or entity that has primary responsibility for implementing the incentive. If the applicant locality is to be the provider, indicate this with the word "applicant". In the case of a joint application, use the name of the appropriate locality. If the incentive is to be provided by an assigned agent, indicate the name of the organization or entity and attach the commitment letters or memorandums of understanding. A local redevelopment or housing authority, industrial development authority, school board or other independent/semi-independent agency is considered an assigned agent. For example, if Saltville's Office of Planning will issue the BPOL waiver, they should be listed as the provider on the incentive chart.
- **Qualification Requirements:** List any locally imposed requirements that businesses must meet in order to receive the incentive.
  - An example of a qualification requirement would be that a business must make a certain dollar amount of real property improvements in order to receive the local incentive.
  - If there are no eligibility requirements or if the incentive involves service improvements, capital expenditures or other actions that benefit the businesses and residents within the zone, indicate with the word "none."
- **Exclusivity to Zone:** Check appropriate box. For localities offering an incentive that is not exclusive to the zone, use this section to explain how the incentive will be enhanced for use in

the zone. Remember, incentives that are available locality-wide should not be included in the package unless they have been modified for added benefit or reduced qualification requirements within the zone boundaries.

- **Period of Availability:** Indicate the period of time for which the incentive will be made available; "entire life of zone" or "first five years of zone operation", etc. Explain the rationale behind the period of availability.
- **Effective Date:** Indicate when the incentive will be available, for example "upon zone designation" or "fiscal year 2013."
- **Source of Funds:** State the source of funds required to implement the incentive (e.g., "local general funds", "local revenue bonds").
  - For sources of funds other than local revenues, indicate the status of fund availability ("grant received" or "application pending").
  - If the incentive does not involve direct expenditures (regulatory or tax relief), indicate this with the word "none" or "forgone revenue."
- **Annual Budget Allocation Pending Approval:** For proposed incentives that will be funded through local revenues, indicate the amount that will be allocated in the locality's annual budget.
- **Detailed Incentive Description: (Page 2 of Incentive Narrative Form)** Include a narrative explaining why the locality has decided to include this incentive in the local package, what the parameters are, the rationale behind the parameters, and how the incentive ties in with the locality's/region's economic development strategy. Explain how the incentive meets the needs of targeted businesses.

## LOCAL INCENTIVE INDEX

**REQUIRED FORM:** Both pages of this form must be filled out for each incentive and submitted in the “Required Attachments” section of the online application.

*Complete this chart for each of the proposed incentives, one incentive per page.*

<b>Proposed Enterprise Zone Name:</b>	
<b>Incentive #:</b> <b>Name:</b> <b>Description:</b>	<b>Locality/Provider:</b>
	<b>Qualification Requirements:</b>
	<b>Exclusive to Zone:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No (please explain how incentives will be tailored to the zone)
	<b>Period of Availability:</b> (please explain the rationale behind the period of availability)
<b>Financial Value of Incentive:</b>	<b>Effective Date:</b>
<b>Action to Implement:</b> <input type="checkbox"/> Local Ordinance <input type="checkbox"/> Approval by Board of Supervisors <input type="checkbox"/> Other:	<b>Source of Funds:</b>
	<b>Annual Budget Allocation Pending Approval:</b>



*Complete the section below for each proposed incentive.*

**Describe why this incentive has been selected and explain how it supports the locality's economic development strategy. What specific sectors or types of businesses is the locality trying to attract with this incentive? Describe how the incentive meets the needs of these targeted businesses. What are the implications of the incentive and how will the benefits be measured? Explain the qualification requirements and the rationale for the requirements.**

## Zone Boundaries:

Responses to the following questions regarding the proposed zone boundaries should convey the strategic importance of the proposed zone areas. These written descriptions will supplement the required maps.

### Tips for Selecting Zone Boundaries

Localities should be strategic in selecting areas for Enterprise Zone inclusion. The zone should represent a balance of development potential (currently existing businesses that have indicated the desire to expand, under-developed or blighted areas for which zone designation would attract future prospects and favorable development, as well as sites for new construction). Expiring zones that are reapplying should evaluate the current boundaries and make modifications if necessary.

Localities have the flexibility to locate the zone where it best serves their economic goals—whether it includes focusing on a distressed area or targeting potential growth areas. If the locality has developed an economic restructuring plan to foster a more creative economy, be sure to include areas that are central to these initiatives. Keep in mind that the zone is not only applicable to industry. Commercial and retail areas should be included if these areas are targeted for specific economic outcomes. It is essential for the locality to develop specific local incentives that support the desired economic outcomes in these areas.

DHCD does not recommend utilizing the maximum amount of available acreage. Some acreage should be set aside for future modifications (through boundary amendments) in order to accommodate local economic fluctuations, growth, and future development. Try to ensure that the area has room to grow to capture prime locations for future development.

**Zone Boundaries should include:** Entire land parcels and both sides of a street.

**Zone Boundaries should not include:** Properties ineligible for state incentives, such as strictly residential properties, units of local, state, or federal government (such as public schools, military reserves) or undevelopable land (such as flood plains, cemeteries, lakes, etc).

The size limits below should be used as a guide in determining zone coverage. DHCD does not recommend creating a zone that uses all of the available acreage. Starting with a smaller area will allow for future zone growth and expansion as local conditions evolve over the life of the zone.

#### Size Limits for Zones in Cities

Minimum: One-quarter (1/4) square mile (160 acres)

Maximum: One square mile (640 acres)

Exception: May be larger than one square mile provided it does not exceed seven percent of the locality's land area or it does not encompass more than seven percent of the locality's total population.

#### Size Limits for Zones in Unincorporated Areas of Counties

Minimum: One-half (1/2) square mile (320 acres)

Maximum: Six square miles (approximately 3,840 acres).

#### Size Limits for Zones in Consolidated Cities

Zones in cities where the present boundaries have been created through the consolidation of a city and county (Chesapeake, Hampton, Newport News, and Virginia Beach) or the consolidation of two cities (Suffolk and Richmond), must use the minimum and maximum size guidelines for zones in unincorporated areas of counties described above.

15. Provide a specific geographic description of the proposed zone areas. If this is a joint, multi-jurisdiction application this section must be completed for each locality. Joint applicants must explain why the boundaries make sense in terms of regional economic development efforts. See page 24 for joint zone design requirements.
16. Why have these areas of the locality been selected for the Enterprise Zone?
17. Describe any specific properties the locality has identified for rehabilitation, expansion, or development.
18. Are there any existing businesses in the proposed boundaries that are looking to expand? Are there any potential prospects that are considering a zone location?
19. How do these areas relate to the locality's package of local incentives and the targeted businesses it is trying to leverage? Discuss how local incentives and/or regulatory relief programs will help maximize these outcomes.
20. Discuss how the proposed zone's design and location will maximize the Enterprise Zone program's outcomes of stimulating real property investment and job creation.

### ***Community Priorities:***

21. Discuss and justify the priority this designation has for the locality. How will the Enterprise Zone program assist in reaching the goals and objectives outlined in the community's economic development strategy?
22. How could the community achieve the identified economic development goals without receiving an Enterprise Zone designation?
23. What other economic or community development incentive programs are available within the community? Describe any funding sources or programs (public/private) that the community has been able to leverage in its development endeavors. What leveraging assets currently exist in the community?
24. How will the Enterprise Zone designation be combined with the existing incentive programs identified above to create a comprehensive suite of economic development tools?
25. Is the locality planning to apply for any other funding programs later in the year? What agency (please specify local, state, or federal) will be providing those funds and what will they be allocated for? How will they be used in conjunction with the zone?

### *Past Successes:*

26. Discuss two economic development projects, different in nature, that were undertaken by the locality and the extent to which they achieved success. In each example, identify the locality's role and any partners involved. The examples provided will help DHCD measure the community's capacity to effectively handle the administration of an Enterprise Zone and determine how equipped the locality is to deal with a variety of economic development scenarios.

### *Marketing Efforts:*

27. What tools are currently being used to market the locality?
28. How will the Enterprise Zone be incorporated into locality-wide marketing efforts?
29. Identify and discuss the specific programs or entities that will have a role in marketing the zone or using the zone to leverage desired community outcomes.

## BENCHMARKS

**REQUIRED FORM:** This form must be filled out and submitted in the “Required Attachments” section of the online application.

*DHCD continuously monitors the performance of each Enterprise Zone. Any zone that goes five consecutive years without state incentive qualification shall be terminated. Although DHCD will work with all designated zones to ensure that zones remain successful, participating localities must share the responsibility.*

### **How many grants of each type are likely for the locality to expect each year?**

The numbers provided here will assist in DHCD’s assessment of zone effectiveness. Benchmarks should be realistic and this chart should be used as a method of tracking progress and achieving goals.

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Job Creation Grants						
Real Estate Grants						
Local Incentive Usage						

**Please use the space below to describe how the locality will measure the effectiveness of the zone should it be approved. Other than the chart above, what performance measures and benchmarks will the locality use?**

### ***Past Performance and Continued Need:***

*(Only to be completed by expiring zones that are reapplying)*

- 30. Please review the zone's past Local Annual Reports. What types of projects were being highlighted? Are those projects now complete because of the Enterprise Zone, in part?**
- 31. Discuss the community's past effectiveness in creating jobs and capital investment in the expiring zone. How have conditions in the zone changed over the course of the expiring zone's designation period.**
- 32. Discuss the continued need for an Enterprise Zone in the locality. Where will the community make additional improvements or experience more growth? How will the Enterprise Zone affect those efforts? Please note if the proposed zone boundaries and/or incentives differ from the expiring zone. If they are different, explain the significance of the change and the desired outcomes.**

### ***Regional Need and Strategy:***

*(Only to be completed by joint multi-jurisdiction applicants)*

- 33. Only localities with a binding revenue sharing agreement may apply as a joint zone. Please take this space to discuss the regional need and strategy of the proposed multi-jurisdiction zone. What formal programs and organizational mechanisms are in place that will ensure a successful joint "operation"?**

*\*Regional collaboration is encouraged therefore up to 50 extra points will be awarded to the final score of multi-jurisdiction applications. The points will be awarded based on how strategic and significant the revenue sharing agreements is. The distress score of a joint zone application will be calculated by taking the average distress score of the participating localities, then adding the bonus points.*

## ZONE CHARACTERISTICS

**REQUIRED FORM:** This form must be filled out and submitted in the “Required Attachments” section of the online application.

Below, indicate the locality or localities seeking zone designation, the acreage of the proposed zone area (by locality), and the size guideline option used.

As seen on page 18, basic size limits are determined by the type of locality. The check boxes below may be duplicated on the page as needed for joint zone applications. For joint zones, list the locality’s name next to each duplicated box.

**1. Type and name of locality:**

- ☐ County:  
☐ Consolidated City:  
☐ City:

**2. Acreage in each locality**

Locality	Total Acreage	Acreage in Noncontiguous Areas		
Locality 1:				
Locality 2:				
Locality 3:				

**3. Total Zone Acreage: \_\_\_\_\_**

**4. If applicant is a city, specify the size guideline option used. Counties and consolidated cities use the same basic land size minimum and maximum requirements as noted in the Size Limits table on page 18.**

☐ Basic land size minimum and maximum

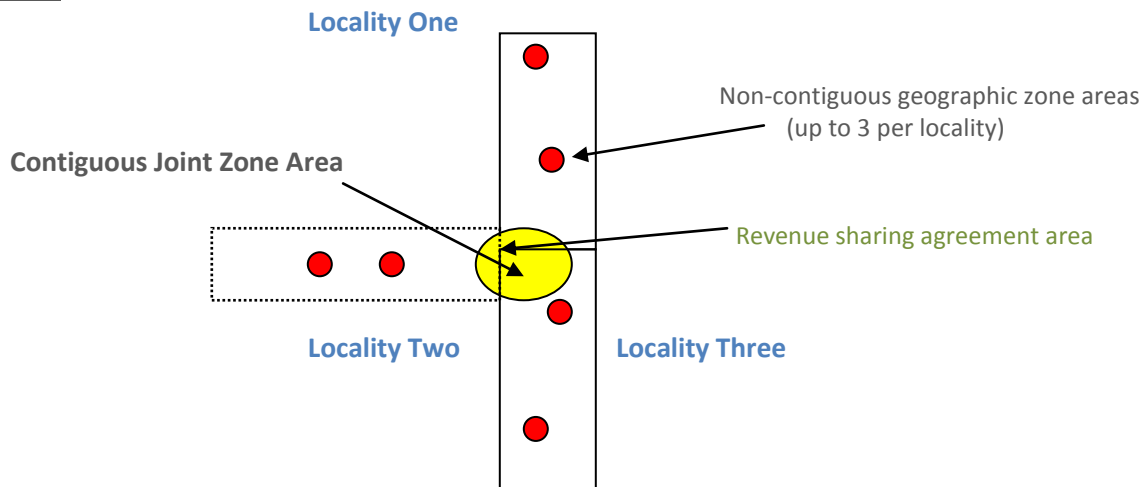
☐ 7 percent of land area  
*Total land area of city:* \_\_\_\_\_

☐ 7 percent of population  
*Total population of city:* \_\_\_\_\_  
*Total population of zone:* \_\_\_\_\_

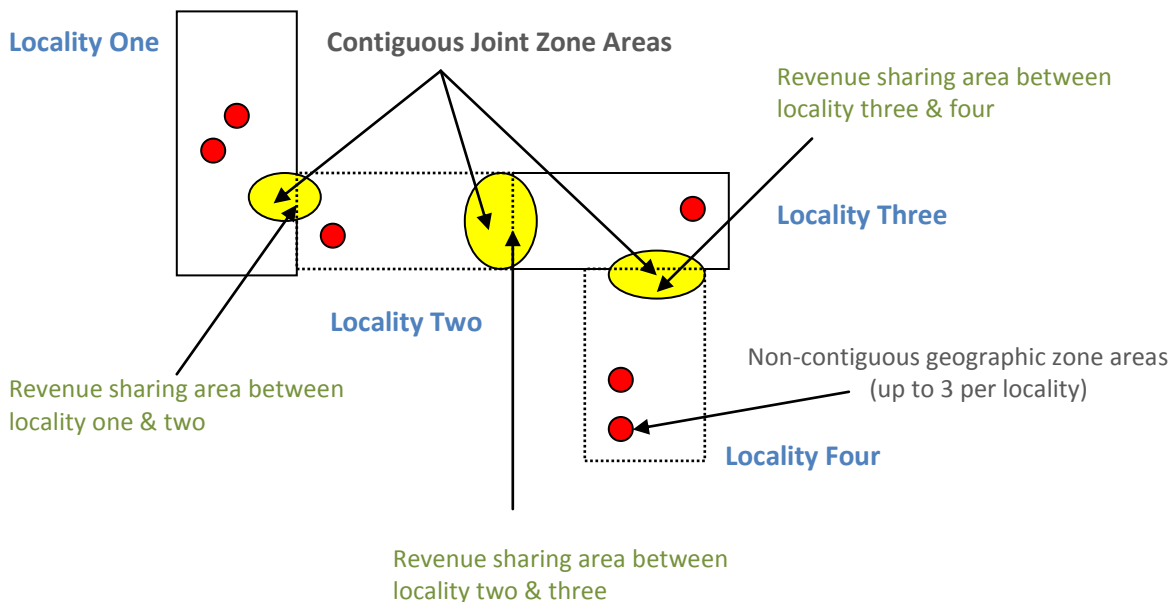
## Joint Zone Configurations- Examples

Each locality's portion of the zone can consist of up to three non-contiguous geographic areas relative to that locality. **One of the locality's three possible zone areas must be contiguous to at least one other participant's zone area as part of the joint application.** Below are examples of joint zone configurations. Once a zone has been designated, a locality can apply to the Department for an amendment to the zone boundaries and/or local incentives every 12 months. For joint zones, the agreement area does not have to cover the entire contiguous joint zone area but should be within the boundaries of the contiguous area.

### Example 1



### Example 2





## REQUIRED MAPS & GIS DATA

**REQUIRED SUPPLEMENTAL MATERIALS:** The required maps & GIS files should be submitted as a zipped folder in the “Required Attachment” section of the online application.

Map Requirements- The required maps must meet the following specifications:

- *The scale of the maps may be adjusted based on the zone size or whether or not it is a joint zone. Maps should not be at a scale smaller than 1 inch to every 2,000 feet. A map with a scale smaller than 1 inch to 2,000 feet is too small to see the level of detail requested. Once an appropriate scale is selected, all of the required maps (1-3) must be produced at the same scale.*
- *Each map should clearly show required features as indicated below.*
- *In addition to the three required maps detailed below, joint applications must submit a fourth map showing the entire joint zone.*

These maps are a critical component of the application. They should be easy to read and clearly marked. GIS generated maps are highly preferred. Topographic maps are discouraged.

### Map 1- Map of the locality indicating the boundaries of the proposed Enterprise Zone

- Indicate the proposed zone boundary with a heavy, dashed red line. City/county/town limits must be defined by a heavy dark blue line. The required features listed in the chart below must be included on Map 1.

#### Required Features to Include on Map 1 (where present in proposed zone):

Major Streets/Roads/Highways, labeled and identified with dark gray lines
Modified Zone Boundaries identified by red dashed line
City/County/Town limit lines identified by dashed blue line
Key Businesses/Employers
Key Properties/Revitalization Project Areas
Airports
Major Railways
Ports of Entry
Office or Industrial Parks
Special Districts
Developable Land

### Map 2 - Map of the proposed Enterprise Zone boundaries indicating existing land use

- In addition to the required features from Map 1, indicate the existing land use within the proposed zone boundaries according to the following classifications:

**Privately Held Land**

Business/Commercial  
Industrial  
Institutional  
Single-family residential  
Multi-family  
Agriculture  
Parking  
Mixed-use (or “Other”)

**Publicly Held Land**

State/Federal Land  
Local publicly owned land in use  
Unused local public land  
Parks & Recreational Areas

- **Indicate the total zone acreage and the approximate number of acres devoted to each type of use.**

**Map 3 - Map of the proposed Enterprise Zone boundaries with overlay of zoning districts**

- **If the area is not zoned, this map is not required.**

**GIS Data – Zone Boundary Shapefiles**

## SUPPLEMENTAL MATERIALS & FORMS

All required forms & supplemental materials must be submitted through the “Required Attachments” section of the online application.

- Public Hearing Advertisements (Required)
- Governing Board/Council Minutes (Required)
- Submission Resolution (Required)
- Joint Application Agreement (Required For Joint Applications Only)
- Shared Benefits Agreement (Required For Joint Applications Only)

## PUBLIC HEARING ADVERTISEMENTS

**REQUIRED:** A copy of the public hearing advertisements must be submitted through the “Required Attachments” section of the online application.

A local governing body must hold at least one public hearing on the application for the Enterprise Zone designation **prior** to the locality’s passage of its Enterprise Zone resolution and prior to submission of the application to DHCD.

All applicants are required to complete the public hearing process. Localities filing a Joint Multi-Jurisdiction application may choose to hold one joint public hearing or separate public hearings (one in each locality).

- Public hearing ads must be published once a week for two successive weeks in a newspaper of general circulation (i.e., ad must run twice). For joint zones, advertisements must run twice in each locality.
- The final advertisement cannot be published less than five days or more than twenty-one days prior to the hearing.
- The ads must give the time, date, and location of hearing.

### Joint Example

**NOTICE OF PUBLIC HEARING**

The Town of Saltville and Smyth County are proposing to submit an application to designate a portion of the town and unincorporated county as a joint Enterprise Zone. There will be a public hearing to hear comments on the proposal on Tuesday, September 23, 2003 at 6:30 p.m. at the Saltville Town Hall. Any interested citizens are encouraged to attend. Information on the application can be viewed at the Saltville Town Hall, 217 Palmer Avenue, Saltville, Virginia; and the Smyth County Administrator’s office, 121 Bagley Circle, Marion, Virginia.

### Single Example

**ENTERPRISE ZONE APPLICATION  
PUBLIC HEARING NOTICE**

Halifax County, Virginia will hold a public hearing on Wednesday, September 12, 2007 at 6:00 p.m. at the Riverstone Technology Building, Riverstone Technology Park, 1100 Confroy Drive, South Boston, VA 24592 to solicit input on the proposed Enterprise Zone Application to the Department of Housing and Community Development due October 1, 2007. The proposed zone boundaries and incentives will be available for discussion. All interested citizens are urged to attend. For additional information, contact Mike Eades, Halifax County IDA, at 434-572-1734. If you plan to attend and have any special needs requirements, please call the number listed above.

The complete requirements for conducting public hearings are stated in [§15.2-2204](#) of the Code of Virginia.

## GOVERNING BOARD/COUNCIL MINUTES

**REQUIRED:** A copy of the Public Hearing minutes must be submitted through the “Required Attachments” section of the online application.

In order to verify the validity of the proposed zone boundaries, meeting minutes **MUST** include explicit mention of the specific zone boundaries.

### SAMPLE

## MINUTES OF PUBLIC HEARING PROPOSED HALIFAX COUNTY ENTERPRISE ZONE

A Public Hearing was held on Wednesday, September 12, 2007 at 6:00 PM at the Riverstone Technology Building regarding the boundaries and incentives for the proposed Halifax County Enterprise Zone. The Public Hearing was properly advertised in advance as required by the Virginia Department of Housing and Community Development under their Enterprise Zone application guidelines.

### List of Attendees

--J. Michael Eades- Industrial Development Authority of Halifax County  
--Bryan Foster- Halifax County Administrator  
--Patsy Vaughan- Industrial Development Authority of Halifax County  
--Tamrya Vest- Town of South Boston

Mr. Eades opened the Public Hearing to public comments. No comments were received and the Public Hearing was closed.

Respectfully Submitted:

  
J. Michael Eades, CEcD

## SUBMISSION RESOLUTION

**REQUIRED:** Resolution(s) indicating that the local governing body is applying for zone designation must be submitted through the “Required Attachments” section of the online application.

### Minimum Resolution Format Requirements

**Single Jurisdiction-** Resolutions accompanying a single locality application for Enterprise Zone designation should state that the local governing body:

- Is applying for Enterprise Zone designation;
- Authorizes its Chief Administrator (or designee) to submit all information needed to apply for zone designation;
- Authorizes its Chief Administrator (or designee) to meet all program administrative and reporting requirements, as defined by the Enterprise Zone Regulations, throughout the life of the zone.

**Joint Application-** Separate resolutions are required from each participating locality and should state that the local governing body:

- Is applying for Enterprise Zone designation jointly with other localities (provide names);
- Authorizes its Chief Administrator (or designee) to submit all information needed to apply for zone designation;
- Authorizes its Chief Administrator (or designee) to meet all program administrative and reporting requirements, as defined by the Enterprise Zone Regulations, throughout the life of the zone.
- Confirms that each jurisdiction participating in the joint Enterprise Zone application has completed a Joint Application Agreement.

### RESOLUTION

WHEREAS, the Town of Saltville has an Enterprise Zone that is expiring at the end of calendar year 2003; and

WHEREAS, the Commonwealth of Virginia is accepting applications for new zones and for re-designation of expiring zones; and

WHEREAS, the Town of Saltville strongly supports the need for the Enterprise Zone and desires to apply for a new Enterprise Zone designation.

THEREFORE BE IT RESOLVED that the Town of Saltville is applying for enterprise zone designation jointly with Smyth County; and

BE IT FURTHER RESOLVED that the Town of Saltville is designated to act as program administrator; and

BE IT FURTHER RESOLVED that the Town of Saltville authorizes the Town Manager acting as program administrator to submit all information needed to apply for enterprise zone designation; and

BE IT FURTHER RESOLVED that the Town of Saltville authorizes the Town Manager acting as program administrator to carry out all program administrative and reporting requirements on its behalf, including those requirements related to the identification and sale of all surplus public land, as defined by the Enterprise Zone Regulations, throughout the life of the zone. The Town Council recognizes that it may use the services of the Mount Rogers Planning District Commission for program administration responsibilities.

**JOINT APPLICATION AGREEMENT FORM EZ-1-JA  
(JOINT MULTI-JURISDICTION APPLICATIONS ONLY)**

**REQUIRED FORM:** Form EZ-1-JA must be filled out by each participating locality in a Joint Zone and submitted through the “Required Attachments” section of the online application.

As the representative of the local governing body of \_\_\_\_\_, I hereby certify that:

1. The aforementioned locality is in agreement with the *other participating localities* in filing this joint zone application;
2. Any local Enterprise Zone incentives proposed by the aforementioned locality in this application represent a firm commitment;
3. The participating localities have established a mechanism to ensure that economic benefits of the joint zone will be shared among the applicant localities should the zone be designated.
3. It is understood that if at any time the aforementioned locality is unable or unwilling to fulfill a commitment to provide local Enterprise Zone incentives listed in this application, the zone shall be subject to termination; and
4. A public hearing was held on \_\_\_\_\_ to solicit comments on the application.

\_\_\_\_\_  
Chief Administrator’s signature

\_\_\_\_\_  
Date

Name:

Title:

**SHARED BENEFITS AGREEMENT  
(JOINT MULTI-JURISDICTION APPLICATIONS ONLY)**

**REQUIRED:** A copy of the shared benefits agreement for joint zones must be submitted through the “Required Attachments” section of the online application.

**SAMPLE  
GROWTH SHARING AGREEMENT**

**JOINT ECONOMIC DEVELOPMENT AND GROWTH SHARING AGREEMENT**

This Agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_,  
2008, by and between MONTGOMERY COUNTY, VIRGINIA (hereinafter, the “County”), and  
THE TOWN OF CHRISTIANBURG, VIRGINIA (hereinafter, the “Town”).

W I T N E S S E T H:

WHEREAS, the County and the Town historically have provided some public services  
for their respective citizens through joint contracts and other cooperative arrangements, including  
water and sewer service; and

WHEREAS, the Board of Supervisors of the County and the Town Council of the Town  
are aware that the economic vitality of the Town and adjoining areas of the County are tied  
together and that economic and industrial expansion in either the Town or the adjoining area of  
the County provides increased employment opportunities and economic vitality for the citizens  
of both jurisdictions; and

WHEREAS, the availability of public water and public sewer services is a particularly  
critical factor in the commercial and industrial development of an area, and the County and  
Town both perceive that the unavailability of these services in the area of the County adjoining  
the Town known as the Woody/Wheatland/Hairston and Arbor View Lands and more fully  
described in the attached legal description for the 47.966 Acre Parcel and by the plat entitled  
“Plat of Survey of Revised Corporation Line For the Town of Christiansburg Located in  
Shawsville Magisterial District Montgomery County, Virginia (Sheet 2 of 2)” dated February 22,  
2007, and incorporated as a part of this Agreement and attached hereto as Exhibit A (hereinafter  
referred to as “the Area”) may have restricted development in the Area; and



The designation application is worth a total of 1500 points. Up to 750 points will be awarded based on the locality-wide distress score and the remaining 750 points will be awarded based on answers to the questions regarding local incentives, program impact and local administrative capacity. Below, the column entitled "Score" is the number of points that a locality has been awarded based on the jurisdiction's fiscal stress.

### **2015 Designation Round Distress Scores**

Locality	Score	Locality	Score	Locality	Score
Accomack County	454	Frederick County	98	Orange County	186
Albemarle County	43	Fredericksburg City	401	Page County	479
Alexandria City	103	Galax City	672	Patrick County	534
Alleghany County	364	Giles County	349	Petersburg City	739
Amelia County	196	Gloucester County	111	Pittsylvania County	432
Amherst County	351	Goochland County	41	Poquoson City	29
Appomattox County	252	Grayson County	584	Portsmouth City	550
Arlington County	27	Greene County	95	Powhatan County	60
Augusta County	141	Greensville County	544	Prince Edward County	551
Bath County	140	Halifax County	548	Prince George County	143
Bedford County	129	Hampton City	443	Prince William County	58
Bland County	272	Hanover County	60	Pulaski County	379
Botetourt County	74	Harrisonburg City	552	Radford City	487
Bristol City	645	Henrico County	124	Rappahannock County	75
Brunswick County	611	Henry County	603	Richmond City	632
Buchanan County	609	Highland County	251	Richmond County	308
Buckingham County	538	Hopewell City	656	Roanoke City	580
Buena Vista City	492	Isle of Wight County	119	Roanoke County	82
Campbell County	271	James City County	41	Rockbridge County	185
Caroline County	239	King and Queen County	416	Rockingham County	131
Carroll County	551	King George County	124	Russell County	528
Charles City County	268	King William County	131	Salem City	204
Charlotte County	536	Lancaster County	277	Scott County	511
Charlottesville City	326	Lee County	543	Shenandoah County	200
Chesapeake City	103	Lexington City	369	Smyth County	534
Chesterfield County	87	Loudoun County	6	Southampton County	377
Clarke County	38	Louisa County	193	Spotsylvania County	70
Colonial Heights City	272	Lunenburg County	568	Stafford County	27
Covington City	613	Lynchburg City	557	Staunton City	284
Craig County	246	Madison County	118	Suffolk City	244
Culpeper County	173	Manassas City	264	Surry County	219
Cumberland County	432	Manassas Park City	204	Sussex County	573
Danville City	744	Martinsville City	750	Tazewell County	391
Dickenson County	574	Mathews County	105	Virginia Beach City	103
Dinwiddie County	209	Mecklenburg County	389	Warren County	147
Emporia City	719	Middlesex County	158	Washington County	262
Essex County	335	Montgomery County	252	Waynesboro City	432
Fairfax City	55	Nelson County	178	Westmoreland County	314
Fairfax County	21	New Kent County	85	Williamsburg City	356
Falls Church City	51	Newport News City	433	Winchester City	389
Fauquier County	24	Norfolk City	550	Wise County	431
Floyd County	224	Northampton County	392	Wythe County	409
Fluvanna County	62	Northumberland County	231	York County	38
Franklin City	708	Norton City	483		
Franklin County	216	Nottoway County	468		
<i>Note: Distress scores are based on a combination of a locality's fiscal stress ranking, unemployment rate, median household income, and percentage of public school students receiving free or reduced price lunch.</i>					